

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

City of Detroit, Michigan,

Debtor.

Bankruptcy Case No. 13-53846  
Honorable Thomas J. Tucker  
Chapter 9

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**EXHIBIT D (BLUE CROSS PLAN) IN SUPPORT OF DPLSA'S RESPONSE IN  
OPPOSITION TO CITY OF DETROIT'S MOTION FOR (I) DETERMINATION  
THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS  
ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S  
CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT;  
AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND  
(B) REQUIRING DISMISSAL OF STATE ACTIONS [DOCKET NO. 9656]**

PART 8 OF 14

### *Special Foods for Metabolic Diseases*

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

#### **We pay for:**

Special medical foods, including special infant formulas and low-protein modified food products, for the dietary treatment of inherited metabolic diseases of childhood, after a complete medical evaluation by the physician of the patient's condition. These foods will not be covered unless they are prescribed by a physician after he or she has performed a complete medical evaluation.

#### The following criteria apply:

- The cost of special medical foods must be higher than the cost of foods that are not special medical foods.
- Medical documentation must support the diagnosis of a covered condition that requires special medical foods, as identified by BCBSM.
- A medical formula will be provided for infants from birth through 24 months maximum when the formula represents at least 50 percent of the child's caloric intake.
- Special medical foods and low-protein modified foods will be covered for pediatric patients up to and including age 18.

You must submit a prescription from the treating physician along with receipts for all special dietary purchases to BCBSM for handling. Mail your receipts along with a "Member Application for Payment Consideration" to:

Blue Cross Blue Shield of Michigan  
Regular Claims, Special Programs, Mail Code 608A  
600 E. Lafayette Blvd  
Detroit, MI 48226

You can obtain the above-mentioned form by visiting our Web site at **bcbsm.com** and clicking on "Member Forms" under the "Member Secured Services" tab. If you can't access the Web site or you have trouble finding what you need, please contact customer service at one of the telephone numbers listed in Section 8.

#### **We do not pay for:**

- Nutritional products, supplements, medical foods, infant formulas or low-protein modified foods for medical conditions not identified by BCBSM as being related to inherited metabolic diseases of childhood
- Foods used by patients with inherited diseases of childhood that are not special medical foods, special infant formulas or low-protein modified foods
- Nutritional products, supplements or foods used for the patient's convenience or for weight reduction programs
- Diabetes mellitus is excluded as a payable diagnosis for this benefit.

### Section 3: What BCBSM Pays For

#### *Speech and Language Pathology*

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

For occupational therapy services, see Page 53.

For physical therapy services, see Page 66.

Locations: We pay for facility and professional speech and language pathology services in the following locations subject to the conditions described below:

- A participating hospital, inpatient or outpatient, or a participating skilled nursing facility



For inpatient therapy given in a hospital, the therapy must be used to treat the condition for which the member is hospitalized.

- A participating freestanding outpatient physical therapy facility



For freestanding facilities, we pay the facility directly for the service, not the individual provider who rendered the service.

- A professional provider's office
- A home (see Page 123 for when services may be payable in a nursing home.)

#### **We pay for:**

- Medically necessary speech and language pathology services when you are an inpatient in a hospital or skilled nursing facility subject to conditions described further down in this section
- We pay for a maximum of 60 outpatient visits per member per year.

**Important:** This 60-visit outpatient maximum is a combined maximum for all outpatient visits for speech and language pathology, physical therapy and occupational therapy whether obtained from an in-network or out-of-network provider (see Note below about **treatment dates** and initial evaluations). Visits for mechanical traction performed by a chiropractor in conjunction with spinal manipulation are applied toward this maximum. All of these therapy services provided in any outpatient location (hospital, facility, office or home) are combined to meet the 60-visit maximum. This benefit maximum renews each calendar year.

### Section 3: What BCBSM Pays For

#### Speech and Language Pathology (continued)

##### We pay for: (continued)

**NOTE**

Each **treatment date** counts as one visit even when two or more therapies are provided and when two or more conditions are treated. For example, if a facility provides you with physical therapy and occupational therapy on the same day, the services are counted as one visit.

An initial evaluation is not counted as a visit. If approved, it will be paid separately from the visit and will not be applied towards the maximum benefit limit (described above).

##### Speech and language pathology services must be:

- Prescribed by a physician (M.D. or D.O.) or a dentist
- Given for a condition that can be significantly improved in a reasonable and generally predictable period of time (usually about six months), or to optimize the developmental potential of the patient and/or maintain the patient's level of functioning
- Given by:
  - A speech-language pathologist certified by the American Speech-Language-Hearing Association or by one fulfilling the clinical fellowship year under the supervision of a certified speech-language pathologist

**NOTE**

The clinical fellowship year occurs after a speech-language pathologist completes all graduate requirements for the master's degree. This year of practice is under the supervision of a certified speech-language pathologist.

##### We do not pay for:

- Treatment **solely** to improve cognition (e.g., memory or perception), concentration and/or attentiveness, organizational or problem-solving skills, academic skills, impulse control or other behaviors for which behavior modification is sought

**NOTE**

We may pay for treatment to improve cognition when part of a comprehensive rehabilitation plan and is medically necessary to treat severe deficits in patients who have certain conditions that are identified by BCBSM.

- Recreational therapy
- Patient education and home programs

### Section 3: What BCBSM Pays For

#### Speech and Language Pathology (continued)

##### We do not pay for: (continued)

- Treatment of chronic, developmental or congenital conditions, learning disabilities or inherited speech abnormalities



For certain pediatric patients with severe developmental disability of speech development, a BCBSM medical consultant may determine that speech and language pathology services can be used to treat chronic, developmental or congenital conditions.

- Services provided by speech-language pathology assistants or therapy aides.
- Services received from a nonparticipating freestanding outpatient physical therapy facility or a nonparticipating skilled nursing facility
- More than 60 outpatient visits per member per calendar year.
- Services of a freestanding facility provided to you in the home or while you are an inpatient in a hospital, skilled nursing facility or residential substance abuse treatment program
- Services received from other facilities independent of a hospital

### *Substance Abuse Treatment Services*

See Page 15 in Section 2 for what you may be required to pay for these services.

For Mental Health services, please see Page 49.

Locations: We pay for substance abuse treatment services in an inpatient or outpatient hospital and a residential or outpatient treatment program subject to the conditions described below.



Substance abuse treatment services that are the equivalent of an office visit are covered as an office visit. Please see "Office, Outpatient and Home Medical Care Visits" on Page 56.

- **Inpatient Substance Abuse Treatment Services**

**We pay for** treatment of substance abuse in a participating hospital.

- **Outpatient and Residential Substance Abuse Treatment Services**

**We pay for** treatment of substance abuse in participating residential or outpatient substance abuse treatment programs. The following criteria for the program must be met:

- Your attending physician must assign a diagnosis of substance abuse and must certify whether the treatment required is residential or outpatient
- Your attending physician must:
  - Provide an initial physical exam
  - Provide and supervise your care during detoxification and
  - Provide follow-up care during rehabilitation
- The services must be medically necessary for treatment of your condition
- The services must be approved by BCBSM and provided by a participating substance abuse treatment program

### **Section 3: What BCBSM Pays For**

#### **Substance Abuse Treatment Services (continued)**

##### **Outpatient and Residential Substance Abuse Treatment Services (continued)**

###### **We pay for:**

We pay for the following services provided and billed by an approved program:

- Lab exams
- Diagnostic exams
- Supplies and equipment used for detoxification or rehabilitation
- Professional and trained staff services and program services necessary for care and treatment
- Individual and group therapy or counseling
- Counseling for family members
- Psychological testing

**We also pay for** the following in a residential substance abuse treatment program:

- Bed and board
- General nursing services
- Drugs, biologicals and solutions used in the facility

**We also pay for** the following in an outpatient substance abuse treatment program:

- Drugs, biologicals and solutions used in the program, including drugs taken home

###### **We do not pay for:**

- Dispensing methadone or testing of urine specimens unless you are receiving therapy, counseling or psychological testing while in the program
- Diversional therapy
- Services provided beyond the period necessary for care and treatment

## Section 3: What BCBSM Pays For

### *Surgery*

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

For transplant services, see Page 102.

Locations: We pay for hospital, facility and professional services for surgery in:

- A participating hospital, inpatient or outpatient
- A participating freestanding ambulatory surgery facility
- A professional provider's or physician's office

#### **We pay for:**

##### Presurgical Consultations

When your physician recommends surgery, you have the option of having a presurgical consultation with another physician who is a doctor of medicine, osteopathy, podiatry or an oral surgeon. Deductibles and copayments required under this certificate do not apply to presurgical consultations obtained from in-network physicians.

- You may obtain presurgical consultations if the surgery will take place in an inpatient or outpatient hospital setting or ambulatory surgery facility and is covered under this certificate.
- You are limited to three presurgical consultations for each surgical diagnosis. The three consultations consist of a:
  - Second opinion — a consultation to confirm the need for surgery
  - Third opinion — allowed if the second opinion differs from the initial proposal for surgery
  - Nonsurgical opinion — given to determine your medical tolerance for the proposed surgery

##### Surgery

We pay for:

- Physician's surgical fee
- Medical care provided by the surgeon before and after surgery while the patient is in the hospital
- Visits to the attending physician for the usual care before and after surgery
- Operating room services, including delivery and surgical treatment rooms



### Section 3: What BCBSM Pays For

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#### **Surgery** (continued)

#### **We pay for:** (continued)

#### Surgery (continued)

- Sterilization (whether or not medically necessary)



Voluntary sterilization for females is covered as part of your preventive services benefit – see Page 75.

- Whole blood, blood derivatives, blood plasma or packed red blood cells, supplies and their administration related to surgery
- **Cosmetic surgery** is only payable for:
  - Correction of deformities present at birth. Congenital deformities of the teeth are not covered.
  - Correction of deformities resulting from cancer surgery including reconstructive surgery after a mastectomy
  - Conditions caused by accidental injuries, and
  - Traumatic scars



Cosmetic surgery and related services are **not** payable when the services are primarily performed to improve appearance.

- **Dental Surgery:** Dental surgery is **only** payable for:
  - Multiple extractions or removal of unerupted teeth or alveoplasty when a hospitalized patient has a dental condition that is adversely affecting a medical condition and treatment of the dental condition is expected to improve the medical condition (see Page 28 for examples)
  - For surgery and treatment related to the treatment of temporomandibular joint (jaw joint) dysfunction (TMJ), see Page 29.
- **Gender reassignment:** Surgery for gender reassignment is payable only for reconstructive procedures of the genitalia. Surgical procedures involving face, vocal cords, breasts, abdomen, hips or other nongenital areas are **not** payable.
- **Multiple surgeries** performed on the same day by the same physician are payable according to national standards recognized by BCBSM.

### Section 3: What BCBSM Pays For

- **Surgery** (continued)

**We pay for:** (continued)

- **Technical surgical assistance (TSA):** In some cases, an additional physician provides technical assistance to the surgeon. We pay the approved amount for TSA, provided according to BCBSM guidelines, in a hospital inpatient or outpatient setting or in an ambulatory surgery facility. A list of covered TSA surgeries is available from your local customer service center.

We do **not** pay for TSA:

- When services of interns, residents or other physicians employed by the hospital are available at the time of surgery or
- When services are provided in a location other than a hospital or ambulatory surgery facility

Freestanding Ambulatory Surgery Facility Services

We pay for medically necessary facility services provided by a BCBSM **participating** ambulatory surgery facility. A patient must be under the care of a licensed doctor of medicine, osteopathy, podiatry or oral surgery to be admitted to an ambulatory surgery facility. The services must be directly related to performing surgical procedures identified by BCBSM as covered ambulatory surgery

The following services are payable:

- Use of ambulatory surgery facility
- Anesthesia services and materials
- Recovery room
- Nursing care by, or under the supervision of, a registered nurse
- Drugs, biologicals, surgical dressings, supplies, splints and casts directly related to providing surgery
- Oxygen and other therapeutic gases
- Skin bank, bone bank and other tissue storage costs for supplies and services for the removal of skin, bone or other tissue, as well as the cost of processing and storage
- Administration of blood
- Routine laboratory services related to the surgery or a concurrent medical condition
- Radiology services performed on equipment owned by, and performed on the premises of, the facility that are necessary to enhance the surgical service
- Housekeeping items and services
- EKGs

### **Section 3: What BCBSM Pays For**

#### **Surgery (continued)**

#### **We do not pay for:**

- Services by a nonparticipating ambulatory surgery facility

### *Temporary Benefits for Out-of-network Hospital Services*

The following rules will apply when a participating hospital terminates its contract with BCBSM.

Temporary hospital benefits from a noncontracted hospital are payable for designated services, emergency care and travel and lodging that will end **six months** from the date the hospital terminates its participating contract with BCBSM. (Also see "Section 3: What We Pay For.")

#### Mandatory Preapproval

Preapproval of the services described in this certificate (except emergency care or ambulance services) must be obtained from BCBSM before we will consider them for payment. If the required approval is not obtained, you must pay for these services.

Our customer service representatives can provide you and your physician with the telephone number to call for preapproval (see the "How to Reach Us" section of your certificate). If the request for preapproval relates to a bone marrow or organ transplant, please ask your customer service representative for the telephone number of the Human Organ Transplant Program (see Page 102 for more information on transplants).

#### **NOTE**

Preapproval of services is not a guarantee that a claim for them will be paid. All claims are subject to a review of the reported diagnosis, medical necessity verification, the availability of benefits at the time the claim is processed as well as the requirements, conditions, limitations, exclusions, maximums, deductibles and copayments under your certificate.

Preapproval must be obtained as follows:

- **Designated Services**

Your physician must obtain preapproval for designated services by calling BCBSM. If preapproval is not obtained, the designated services you receive will not be covered and you will be responsible for the hospital's charges.

- **Travel and Lodging**

You must obtain preapproval for any travel and lodging expenses before they are incurred. If you do not obtain preapproval, travel and lodging will not be covered and you will be responsible for these costs. Please call BCBSM to obtain preapproval.

### Section 3: What BCBSM Pays For

#### Temporary Benefits for Out-of-network Hospital Services (continued)

##### Payable Services

- **Designated Services and Emergency Care**

##### Coverage Requirements

We will pay for designated services and emergency care that you receive from a noncontracted area hospital when all of the following criteria are met:

- The services are medically necessary and would be covered if the noncontracted area hospital was a BCBSM in-network or participating hospital
- The designated services are preapproved, as previously described
- The noncontracted area hospital is within 75 miles of your primary residence (this applies only to designated services)

##### Payment for Designated Services and Emergency Care

When the above criteria are met, we will pay the subscriber as follows:

- **Designated Services**

We will pay our approved amount, less any deductibles and copayments required under your certificate. Our approved amount may be less than the hospital's bill. You are required to pay the difference.

- **Emergency Care**

We pay the greater of the:

- Median in-network rate
- Usual, customary and reasonable rate
- Medicare rate



You will not have to pay any out-of-network deductible, copayments and coinsurances that apply to these services. However, you must pay any in-network deductible, copayments or coinsurances that apply.

**Temporary Benefits for Out-of-network Hospital Services (continued)**

Payable Services (continued)

**Designated Services and Emergency Care (continued)**

Transport from a Noncontracted Area Hospital

If you are receiving designated services or emergency care and your physician determines you are medically stable, you may choose to be transferred from the noncontracted area hospital to the nearest participating or in-network hospital equipped to treat your condition. We will pay our approved amount for your one-way ambulance transport to that hospital.

If you use a nonparticipating ambulance for your transport, its bill may be more than our approved amount. You are required to pay the difference.



If you transfer to a participating out-of-network hospital, we will waive the deductible, copayments and coinsurances that apply to out-of-network services. However, you will still be required to pay any deductibles, copayments or coinsurances applicable to in-network services.

BCBSM certificates will provide only limited coverage for emergency services at nonparticipating hospitals. They provide you with no coverage if you are admitted on a nonemergency basis. If you decide to stay in a noncontracted hospital, we will pay you at the nonparticipating rate. Our rate may be less than the hospital charges. You will have to pay the difference.

Limitations and Exclusions

- If you get services from a noncontracted hospital that are not designated services, we will pay only the amount we pay for nonparticipating hospital services. These amounts are described in Section 2. You will have to pay the difference between what we pay and the hospital's charge. This difference may be substantial since we do not pay for nonemergency services in a nonparticipating hospital.
- We do not pay for designated services that were not preapproved, as previously described.
- We will pay for ambulance transport services only if they are for an admission that is covered under this certificate. If your certificate covers nonemergency transports, you will have to pay for any deductibles or copayments.

### Section 3: What BCBSM Pays For

#### Temporary Benefits for Out-of-network Hospital Services (continued)

##### Payable Services (continued)

- **Travel and Lodging**

If you need to obtain services at an out-of-area hospital, we will pay for the cost of travel and lodging if all of the following are met:

- You live within 75 miles of the noncontracted area hospital
- You cannot reasonably obtain covered services from a contracted area hospital or other participating provider within 75 miles of the noncontracted area hospital and your physician directs you to an out-of-area hospital, and
- You obtain services from the out-of-area BCBSM in-network or participating hospital that is closest to the noncontracted area hospital.

#### **Payment will be subject to the following provisions:**

##### Inpatient Services

If you require inpatient services from an out-of-area hospital, we will pay up to \$250 per day for the reasonable and necessary cost of travel and lodging up to a maximum of \$5,000 per admission. These maximums apply to the combined expenses for you and the person(s) eligible to accompany you. Our payment will be the lesser of your actual expenses or the \$250 or \$5,000 maximums.

Coverage will begin on the day before your admission and end on your date of discharge. We will pay for the following:

- Travel for you and another person (two persons if the patient is a child under the age of 18) to and from the out-of-area hospital
- Lodging for the person(s) eligible to accompany you

##### Outpatient Services

If you require outpatient services from an out-of-area hospital or from a physician, we will pay up to \$125 for travel and lodging each time you require these services. Physician services must be directly related to an admission to an out-of-area hospital.

### Section 3: What BCBSM Pays For

#### Temporary Benefits for Out-of-network Hospital Services (continued)

##### Payable Services (continued)

##### **Payment will be subject to the following provisions:** (continued)

##### Limitations and Exclusions

- We do not pay for travel and lodging that were not preapproved, as previously described.
- Travel and lodging will be paid only after you submit your original receipts to us.
- Travel does not include an ambulance transport to an out-of-area hospital.
- We do not pay for travel and lodging beyond the maximums stated above.
- We will not pay for items that we do not consider directly related to travel and lodging, such as: dry cleaning, clothing, laundry services, kennel fees, car maintenance, toiletries, security deposits, toys, household products, alcoholic beverages, flowers, greeting cards, stationery, stamps, household utilities (including cellular telephones), maids, babysitters or daycare services and entertainment such as cable television, books, magazines, movie rentals or charges for hospital services that are not covered (telephone, television, private room).
- Deductibles, copayments or coinsurances required under your certificate will not apply to travel and lodging.

Remember, your temporary benefits will end **six months** from the date a noncontracted hospital terminated its participating contract with BCBSM.